



RULE-MAKING ORDER

CR-103 (June 2004)
(Implements RCW 34.05.360)

Agency: Department of Revenue

- ☐ Permanent Rule
☒ Emergency Rule

Effective date of rule:

Permanent Rules

- ☐ 31 days after filing.
☐ Other (specify) _____

Effective date of rule:

Emergency Rules

- ☒ Immediately upon filing.
☐ Later (specify) _____

Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?

- ☐ Yes ☒ No If Yes, explain:

Purpose: WAC 458-20-257 explains the business and occupation (B&O), retail sales, and use tax reporting responsibilities of persons selling warranties or maintenance agreements. Chapter 514, Laws of 2005, changed the tax consequences for extended warranties by classifying the sale of an extended warranty as a retail sale. This change in law is effective July 1, 2005. The result is that on and after July 1, 2005, sellers are required to collect and remit retail sales tax when selling extended warranties to consumers.

The Department is adopting revisions to Rule 257 on an emergency basis to recognize this legislative change. This emergency rule is the same as the emergency rule filed on June 30, 2005.

The Department has scheduled a CR101 public meeting for permanent revisions to this rule (WSR 05-21-081), which the Department anticipates will be a complete updating and reorganization of the information provided in the rule. This public meeting is scheduled for 1:00 p.m. on November 29, 2005.

Citation of existing rules affected by this order:

Amended: WAC 458-20-257 Warranties and maintenance agreements

Statutory authority for adoption: RCW 82.32.300 and RCW 82.01.060(2)

Other authority :

PERMANENT RULE ONLY (Including Expedited Rule Making)

Adopted under notice filed as WSR _____ on _____ (date).

Describe any changes other than editing from proposed to adopted version:

If a preliminary cost-benefit analysis was prepared under RCW 34.05.328, a final cost-benefit analysis is available by contacting:

EMERGENCY RULE ONLY

Under RCW 34.05.350 the agency for good cause finds:

- ☒ That immediate adoption, amendment, or repeal of a rule is necessary for the preservation of the public health, safety, or general welfare, and that observing the time requirements of notice and opportunity to comment upon adoption of a permanent rule would be contrary to the public interest.
☐ That state or federal law or federal rule or a federal deadline for state receipt of federal funds requires immediate adoption of a rule.

Reasons for this finding: **An emergency adoption of Rule 257 is necessary because a permanent rule cannot be adopted until completion of the rule-making process. This rule action will provide needed tax information to taxpayers and department staff about the law changes.**

Date adopted: 10/20/05

NAME (TYPE OR PRINT)

Alan R. Lynn

SIGNATURE

TITLE

Rules Coordinator

CODE REVISER USE ONLY

Filed: October 20, 2005

Time: 1:50 p.m.

WSR: 05-22-005

The above information was input by DOR

**Note: If any category is left blank, it will be calculated as zero.
No descriptive text.**

**Count by whole WAC sections only, from the WAC number through the history note.
A section may be counted in more than one category.**

The number of sections adopted in order to comply with:

Federal statute:	New	_____	Amended	_____	Repealed	_____
Federal rules or standards:	New	_____	Amended	_____	Repealed	_____
Recently enacted state statutes:	New	_____	Amended	<u>1</u>	Repealed	_____

The number of sections adopted at the request of a nongovernmental entity:

New	_____	Amended	_____	Repealed	_____
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The number of sections adopted in the agency's own initiative:

New	_____	Amended	<u>1</u>	Repealed	_____
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The number of sections adopted in order to clarify, streamline, or reform agency procedures:

New	_____	Amended	_____	Repealed	_____
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The number of sections adopted using:

Negotiated rule making:	New	_____	Amended	_____	Repealed	_____
Pilot rule making:	New	_____	Amended	_____	Repealed	_____
Other alternative rule making:	New	_____	Amended	<u>1</u>	Repealed	_____